

**REPORT OF THE AUDIT OF THE  
DAVIESS COUNTY  
SHERIFF**

**For The Year Ended  
December 31, 2003**



**CRIT LUALLEN  
AUDITOR OF PUBLIC ACCOUNTS  
[www.auditor.ky.gov](http://www.auditor.ky.gov)**

**105 SEA HERO ROAD, SUITE 2  
FRANKFORT, KY 40601-5404  
TELEPHONE (502) 573-0050  
FACSIMILE (502) 573-0067**





CRIT LUALLEN  
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky  
Honorable Ernie Fletcher, Governor  
Robbie Rudolph, Secretary  
Finance and Administration Cabinet  
Honorable Reid Haire, Daviess County Judge/Executive  
Honorable Keith R. Cain, Daviess County Sheriff  
Members of the Daviess County Fiscal Court

The enclosed report prepared by Percy and Gray, PSC, Certified Public Accountants, presents the statement of revenues, expenditures, and excess fees of the County Sheriff of Daviess County, Kentucky, for the year ended December 31, 2003.

We engaged Percy and Gray, PSC to perform the audit of this statement. We worked closely with the firm during our report review process; Percy and Gray, PSC evaluated the Daviess County Sheriff's internal controls and compliance with applicable laws and regulations.

Respectfully submitted,

A handwritten signature in cursive script, reading "Crit Luallen".

Crit Luallen  
Auditor of Public Accounts

Enclosure





## **EXECUTIVE SUMMARY**

### **AUDIT EXAMINATION OF THE DAVISS COUNTY SHERIFF**

**For The Year Ended  
December 31, 2003**

Peercy and Gray, PSC has completed the Daviess County Sheriff's audit for the year ended December 31, 2003. Based upon the audit work performed, the financial statements present fairly, in all material respects, the revenues, and expenditures of the County Sheriff and the revenues, expenditures, and fund balances of the County Sheriff's operating fund and county fund with the State Treasurer in conformity with the regulatory basis of accounting described in Note 1.

#### **Financial Condition:**

A fee official in counties with a population over 70,000 has two funds established with the state for the deposit of fees collected. Seventy-five percent (75%) of the fees collected are deposited in a County Sheriff's operating fund and used for office expenses of the fee official. The remaining twenty-five percent (25%) of fees collected are deposited to the county government fund and quarterly paid to the county government. These funds are closed at the end of each four-year term by paying the balances to the respective county government.

The Daviess County Sheriff had net revenues of \$3,442,441, which was a \$337,056 increase from the prior year. The operating fund with the State Treasurer had receipts of \$3,193,183 and expenditures of \$3,303,071 reflecting a shortage of \$109,888. The county fund with the State Treasurer had receipts of \$249,258 and payments to the fiscal court of \$249,258.

#### **Deposits:**

The Sheriff's deposits were insured and collateralized by bank securities.



## CONTENTS

PAGE

INDEPENDENT AUDITOR’S REPORT .....	1
STATEMENT OF REVENUES AND EXPENDITURES - REGULATORY BASIS .....	3
STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES OF THE SHERIFF'S OPERATING FUND AND COUNTY FUND WITH THE STATE TREASURER - REGULATORY BASIS .....	5
NOTES TO THE FINANCIAL STATEMENTS.....	7
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS .....	13
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133.....	17
SCHEDULE OF FINDINGS AND QUESTIONED COSTS .....	21
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS .....	25
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS .....	26





***Kevin P. Peercy, CPA***

***Linda Gray, CPA***



The Honorable Reid Haire, Daviess County Judge/Executive  
Honorable Keith R. Cain, Daviess County Sheriff  
Members of the Daviess County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of revenues and expenditures - regulatory basis of the County Sheriff of Daviess County, Kentucky, and the statement of revenues, expenditures, and fund balances of the County Sheriff's operating fund and county fund with the State Treasurer - regulatory basis for the year ended December 31, 2003. These financial statements are the responsibility of the County Sheriff. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for County Fee Officials issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the County Sheriff prepares the financial statements on a regulatory basis of accounting that demonstrates compliance with the laws of Kentucky, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the revenues and expenditures of the County Sheriff and the revenues, expenditures, and fund balances of the County Sheriff's operating fund and county fund with the State Treasurer for the year ended December 31, 2003, in conformity with the regulatory basis of accounting.

In accordance with Government Auditing Standards, we have also issued our report dated November 22, 2004, on our consideration of the County Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The Honorable Reid Haire, Daviess County Judge/Executive  
Honorable Keith R. Cain, Daviess County Sheriff  
Members of the Daviess County Fiscal Court

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States and Local Governments and Non-Profit Organizations, and is not a required part of the financial statements. Such information has been subjected to auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the County Sheriff and Fiscal Court of Daviess County, Kentucky, and the Commonwealth of Kentucky and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in cursive script that reads "Percy and Gray, PSC".

Percy and Gray, PSC

Audit fieldwork completed -  
November 22, 2004

DAVIESS COUNTY  
KEITH R. CAIN, COUNTY SHERIFF  
STATEMENT OF REVENUES AND EXPENDITURES - REGULATORY BASIS

For The Year Ended December 31, 2003

Revenues

Federal Grants		\$	433,367	
State Fees for Services				
Security Fees			120,982	
Bailiff			120,770	
Prisoner Transport			5,126	
KLEFPF			96,809	
Circuit Court Clerk			3,200	
Fiscal Court			1,328,348	
County Clerk			10,960	
Commission on Taxes			924,578	
Fees Collected for Services:				
Auto Inspections	\$	45,762		
Accident/Police Reports		7,998		
Serving Papers		119,410		
Carrying Concealed Deadly Weapons Permits		10,260		
Airport Security		68,231		
Sheriff's Advertising Fees		10,775		
10% Add-on Penalty		95,816		
				358,252
Other Revenues:				
Prisoner Transport	\$	8,565		
Reimbursed Expenses		22,161		
Daviness County School Board - D.A.R.E. Officer		11,250		
Apollo High School - School Resource Officer		28,119		
Interest Earned		19,541		
Miscellaneous		900		
				90,536
Total Revenues			\$	3,492,928

The accompanying notes are an integral part of the financial statements.

DAVIESS COUNTY  
 KEITH R. CAIN, COUNTY SHERIFF  
 STATEMENT OF REVENUES AND EXPENDITURES - REGUALTORY BASIS  
 For The Year Ended December 31, 2003  
 (Continued)

Expenditures

Payments to State:

Carrying Concealed Deadly Weapon Permits	\$	6,880
--	----	-------

Payments Made By County:

Reimbursed Expenses	\$	22,161	
County Collections		<u>21,400</u>	43,561

Other Expenditures:

Bank Fees		<u>46</u>
-----------	--	-----------

Total Expenditures	\$	<u>50,487</u>
--------------------	----	---------------

Net Revenues	\$	3,442,441
--------------	----	-----------

Payments to State Treasurer:

75% Operating Fund	3,193,183	
25% County Fund	<u>249,258</u>	<u>3,442,441</u>

Balance Due at Completion of Audit	\$	<u><u>0</u></u>
------------------------------------	----	-----------------

DAVIESS COUNTY  
 KEITH R. CAIN, COUNTY SHERIFF  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 FUND BALANCES OF THE SHERIFF'S OPERATING FUND  
AND COUNTY FUND WITH THE STATE TREASURER - REGULATORY BASIS

For The Year Ended December 31, 2003

	75% Operating Fund	25% County Fund	Totals
Fund Balance - January 1, 2003	\$	\$	\$
<u>Revenues</u>			
Fees Paid to State - Operating Funds (75%)	3,193,183		3,193,183
Fees Paid to State - County Funds (25%)		249,258	249,258
Total Funds Available	\$ 3,193,183	\$ 249,258	\$ 3,442,441
<u>Expenditures</u>			
Personal Services-			
Sheriff's Statutory Maximum	\$ 86,522	\$	\$ 86,522
Deputies' Salaries	1,655,028		1,655,028
Overtime Gross	158,914		158,914
Employee Benefits-			
Employer's Share Social Security	137,311		137,311
Employer's Share Retirement	270,223		270,223
Employer's Paid Health Insurance	333,365		333,365
Other Payroll Disbursements	3,582		3,582
Materials and Supplies-			
Office Supplies	7,549		7,549
Uniforms	35,622		35,622
Other Charges-			
Telephone	3,297		3,297
Cellular Phone	5,867		5,867
DARE Supplies	277		277
Meth I Grant	20,859		20,859
Meth II Grant	26,470		26,470
MDT Grant	17,848		17,848
Tech Grant	3,305		3,305
Training	12,659		12,659
Police Supplies	7,377		7,377
Travel	6,339		6,339
Miscellaneous	36,428		36,428

The accompanying notes are an integral part of the financial statements.

DAVIESS COUNTY  
 KEITH R. CAIN, COUNTY SHERIFF  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 FUND BALANCES OF THE SHERIFF'S OPERATING FUND  
 AND COUNTY FUND WITH THE STATE TREASURER - REGULATORY BASIS  
 For The Year Ended December 31, 2003  
 (Continued)

	75% Operating Fund	25% County Fund	Totals
<u>Expenditures</u> (Continued)			
Auto Expenses-			
Gasoline	\$ 59,417	\$	\$ 59,417
Maintenance and Repairs	51,252		51,252
Radio/Siren Maintenance	16,034		16,034
Capital Outlay-			
Office Equipment	910		910
Equipment	25,849		25,849
Vehicles	185,892		185,892
Computers	16,122		16,122
Meth I Grant	49,507		49,507
Meth II Grant	25,666		25,666
MDT Grant	43,580		43,580
Payments to County		249,258	249,258
Total Expenditures	\$ 3,303,071	\$ 249,258	\$ 3,552,329
Fund Balance - December 31, 2003	<u>\$ (109,888)</u>	<u>\$ 0</u>	<u>\$ (109,888)</u>

The accompanying notes are an integral part of the financial statements.

DAVIESS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

Note 1. Summary of Significant Accounting Policies

A. Fund Accounting

A fee official uses a fund to report on the results of operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fee official uses a fund for fees to account for activities for which the government desires periodic determination of the excess of revenues over expenditures to facilitate management control, accountability, and compliance with laws.

B. Basis of Accounting

KRS 64.820 directs the fiscal court to collect any amount due from the County Sheriff as determined by the audit.

KRS 64.350 establishes that a fee official in counties with a population over 70,000 has two funds with the State Treasurer for the deposit of fees collected. Seventy-five percent (75%) of the fees collected is deposited in a County Sheriff's operating fund and used for office expenses of the fee official. The remaining twenty-five percent (25%) of fees collected is deposited to the county fiscal court fund and paid to the fiscal courts, urban-county governments, or consolidated local governments of the respective counties quarterly no later than April 15, July 15, October 15, and January 15. These funds are closed at the end of each official term by paying the balances to the respective county government.

The financial statements have been prepared on a regulatory basis of accounting, which demonstrates compliance with the laws of Kentucky and is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this regulatory basis of accounting revenues and expenditures are generally recognized when cash is received or disbursed with the exception of accrual of the following items (not all-inclusive) at December 31:

- Interest receivable
- Collection on accounts due from others for 2003 services
- Reimbursements for 2003 activities
- Tax commissions due from December tax collections
- Payments due other governmental entities for payroll
- Payments due vendors for goods or services provided in 2003
- Payroll expenditures incurred but not paid

The Attorney General issued a letter which stated that some revenues of the fee official offices could be considered reimbursed expenses. All reimbursed expenses are treated as revenue in the 75 percent fund.

DAVIESS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2003  
(Continued)

Note 2. Employee Retirement System

The county officials and employees have elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system that covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5.0 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 6.34 percent for the first six months and 7.34 percent for the last six months of the year. Hazardous covered employees are required to contribute 8.0 percent of their salary to the plan. The county's contribution rate for hazardous employees was 16.28 percent for the first six months of the year and 18.51 percent for the last six months of the year.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55.

Historical trend information pertaining to CERS' progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Retirement Systems' annual financial report which is a matter of public record.

Note 3. Deposits

The Sheriff maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the Sheriff and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met, and as of December 31, 2003, the Sheriff's deposits were fully insured or collateralized at a 100% level with collateral of pledged securities held by the Sheriff's agent in the Sheriff's name.

Note 4. Special Investigation Fund

The Daviess County Sheriff maintains a Special Investigation Fund for monies received from drug related arrests. The balance of the fund as of January 1, 2003 was \$14,560. Receipts consisting primarily of drug seizures and interest were \$21,152. Disbursements consisting primarily of expenditures for drug crime fighting supplies were \$33,046. The balance in the Special Investigations Fund as of December 31, 2003 was \$2,666.



DAVIESS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2003  
(Continued)

Note 5. Reimbursed Expenses

The amount deposited to the Sheriff's Operating Fund (75%) with the Kentucky State Treasurer included reimbursed expenditures. The reimbursed expenditures include amounts from the State and County as well as refunds. The following table details reimbursed expenses of which 100% were credited to the 75% fund.

<u>Reimbursed Expenses</u>	<u>Amount</u>
Fiscal Court Assistance	\$ 1,328,348
Federal COPS Grants	433,367
State Fees for Servies	338,561
Daviess County Board of Education -	
Tax Commissions	228,116
D.A.R.E. Officer	11,250
Airport Security	68,231
Apollo High School - School Resource Officer	28,119
Prisoner Transport	8,565
Court Ordered D.A.R.E. Contributions	850
	<hr/>
Total	<u>\$ 2,445,407</u>

THIS PAGE LEFT BLANK INTENTIONALLY

REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



***Kevin P. Peercy, CPA***

***Linda Gray, CPA***



The Honorable Reid Haire, Daviess County Judge/Executive  
Honorable Keith R. Cain, Daviess County Sheriff  
Members of the Daviess County Fiscal Court

Report On Compliance And On Internal Control  
Over Financial Reporting Based On An Audit Of The Financial  
Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements - regulatory basis of the Daviess County Sheriff for the year ended December 31, 2003, and have issued our report thereon dated November 22, 2004. This was a special report on the County Sheriff's financial statements prepared in accordance with a basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Daviess County Sheriff's financial statements for the year ended December 31, 2003, are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Daviess County Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Report On Compliance And On Internal Control  
Over Financial Reporting Based On An Audit Of The Financial  
Statements Performed In Accordance With Government Auditing Standards  
(Continued)

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified parties.

Respectfully submitted,

A handwritten signature in cursive script that reads "Percy and Gray, PSC".

Percy and Gray, PSC

Audit fieldwork completed -  
November 22, 2004

REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133





***Kevin P. Peercy, CPA***

***Linda Gray, CPA***



The Honorable Reid Haire, Daviess County Judge/Executive  
Honorable Keith R. Cain, Daviess County Sheriff  
Members of the Daviess County Fiscal Court

Report On Compliance With Requirements  
Applicable To Each Major Program And On Internal Control  
Over Compliance In Accordance With OMB Circular A-133

Compliance

We have audited the compliance of the County Sheriff of Daviess County, Kentucky, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2003. The County Sheriff's major federal programs are identified in the Schedule of Expenditures of Federal Awards. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Daviess County Sheriff. Our responsibility is to express an opinion on the County Sheriff's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County Sheriff's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County Sheriff's compliance with those requirements.

In our opinion, the County Sheriff of Daviess County, Kentucky, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003. The results of our tests disclosed no instances of noncompliance that are required to be reported under OMB Circular A-133.

Report On Compliance With Requirements  
Applicable To Each Major Program And On Internal Control  
Over Compliance In Accordance With OMB Circular A-133  
(Continued)

Internal Control Over Compliance

The County Sheriff of Daviess County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County Sheriff's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

Respectfully submitted,

A handwritten signature in cursive script that reads "Percy and Gray, PSC".

Percy and Gray, PSC

Audit fieldwork completed –  
November 22, 2004

SCHEDULE OF FINDINGS AND QUESTIONED COSTS



DAVIESS COUNTY  
KEITH R. CAIN, COUNTY SHERIFF  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended December 31, 2003

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Sheriff of Daviess County, Kentucky.
2. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report.
3. No instances of noncompliance material to the financial statements of the Sheriff of Daviess County were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal awards programs are reported in the Independent Auditor's Report.
5. The auditor's report on compliance for the audit of the major federal awards programs for the Sheriff of Daviess County expresses an unqualified opinion.
6. There are no audit findings relative to the major federal awards programs for the Sheriff of Daviess County reported in Part C of this schedule.
7. The programs tested as major programs were: COPS Daviess County Mobile Terminal Project CFDA #16.710, COPS Methamphetamine Initiative 2001 Grant CFDA #16.710, and COPS Methamphetamine 2002 Grant CFDA #16.710.
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The Sheriff of Daviess County was determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

STATE LAWS AND REGULATIONS

None

REPORTABLE CONDITIONS

None

PRIOR YEAR FINDINGS FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAM AUDIT

None

THIS PAGE LEFT BLANK INTENTIONALLY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS





DAVIESS COUNTY  
KEITH R. CAIN, COUNTY SHERIFF  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2003

Federal Grantor Program Title <u>Grant Name (CFDA #)</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
Cash Programs		
U.S. Department of Justice:		
Direct Programs:		
COPS Daviess County Mobile Terminal Project (CFDA #16.710)	2001 CKWX0043	\$ 61,428
COPS Methamphetamine Initiative 2001 Grant (CFDA #16.710)	2001 CKWX0164	310,964
COPS Methamphetamine Initiative 2002 Grant (CFDA #16.710)	2002 DOBX0070	92,154
Passed through Kentucky Justice Cabinet: Equipment Grant (CFDA #16.592)	LLEB-457-02	<u>6,047</u>
Total Cash Expenditures of Federal Awards		<u><u>\$ 470,593</u></u>

DAVIESS COUNTY  
KEITH R. CAIN, COUNTY SHERIFF  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2003

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Daviess County Sheriff's office and is presented on the regulatory basis of accounting. The information in the schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local, Governments, and Non-Profit Organizations.

Note 2 - The federal expenditures for the COPS Methamphetamine Initiative 2001 Grant include grants to subrecipients as follows:

<u>Subrecipient</u>	<u>Pass-through Grant Amount</u>
City of Elizabethtown	\$ 152,611
Warren County	87,986

Note 3 - The federal expenditures for the COPS Methamphetamine Initiative 2002 Grant include grants to a subrecipient as follows:

<u>Subrecipient</u>	<u>Pass-through Grant Amount</u>
Bullitt County	\$ 40,019

